

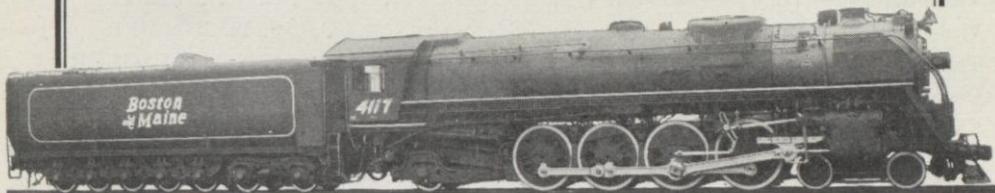
One Hundred and Ninth

ANNUAL REPORT

1941



YEAR ENDED DECEMBER 31, 1941



MOUNTAIN (4-8-2) TYPE LOCOMOTIVE

For Freight and Passenger Service

Total Weight Engine 415,200 lbs.

Total Weight Tender 399,600 lbs.

Tender Capacity 21 tons Coal — 23,000 gals. Water

Seven pairs Wheels on Tender

Steam Pressure 240 lbs.

Roller Bearings

Length 106 ft., 8 $\frac{3}{8}$ ins.

STRAWBOARDS

MRB
652.0973
B657r



DIRECTORS

PHILIP R. ALLEN, E. Walpole, Mass.
ROGER AMORY, Boston, Mass.
LOUIS M. ATHERTON, Swampscott, Mass.
HUGH J. CHISHOLM, Portland, Maine
WILLIAM DEXTER, Lancaster, Mass.
FAIRMAN R. DICK, New York, N. Y.
HARRY H. DUDLEY, Concord, N. H.
FREDERIC C. DUMAINE, Jr., Weston, Mass.
REGINALD FOSTER, Manchester, Mass.
EDWARD S. FRENCH, Springfield, Vt.
WILLIAM D. WOOLSON, Springfield, Vt.

OFFICERS

| | |
|---------------------------------------------------------|-------------------|
| President and Chairman of Executive Committee | EDWARD S. FRENCH |
| Vice-President and Clerk of Corporation | ARTHUR B. NICHOLS |
| Vice-President — Finance and Accounting | W. S. TROWBRIDGE |
| Vice-President — Operating | J. W. SMITH |
| Vice-President — Purchases and Stores | A. W. MUNSTER |
| Vice-President — Traffic | J. W. RIMMER |
| Treasurer | E. J. GALLAGHER |
| General Counsel | W. A. COLE |
| Chief Engineer | W. F. CUMMING |

Transfer Agent in Boston for all classes of stock, Old Colony Trust Company, 45 Milk Street,
Boston, Massachusetts.

Transfer Agent in New York for common stock, Guaranty Trust Company, 140 Broadway,
New York City.



BOSTON AND MAINE RAILROAD

To the Stockholders of Boston and Maine Railroad:

On behalf of the Board of Directors there is submitted herewith a report for the year ended December 31, 1941.

INCOME ACCOUNT -- CONDENSED

| | 1941 | Increase or Decrease | Per Cent |
|---------------------------------------------------|-----------------|-------------------------|-------------|
| Operating Revenues | \$59,203,411 33 | \$11,605,619 15 | 24.38 |
| Operating Expenses | 40,297,472 30 | 6,039,480 49 | 17.63 |
| Net Revenue from Operations | \$18,905,939 03 | \$ 5,566,138 66 | 41.73 |
| Railway Tax Accruals | 5,088,030 72 | 1,376,976 69 | 37.61 |
| Railway Operating Income | \$13,867,908 31 | \$ 4,189,161 97 | 43.28 |
| Equipment and Joint Facility Rents — Net Dr | 3,375,310 71 | 631,806 08 | 23.03 |
| Net Railway Operating Income | \$10,492,597 60 | \$ 3,557,355 89 | 51.29 |
| Other Income | 1,322,005 47 | 161,784 01 | 13.94 |
| Total Income | \$11,814,603 07 | \$ 3,719,139 90 | 45.94 |
| Deductions: | | | |
| Rental Payments | \$ 1,334,525 51 | \$ 82,023 69 | 6.55 |
| Interest on Debt — Fixed Interest | 3,237,803 78 | D 1,288,264 10 | 28.46 |
| Other Deductions | 100,833 71 | D 7,961 36 | 7.32 |
| Total Deductions | \$ 4,673,163 00 | D \$ 1,214,201 77 | 20.62 |
| Income After Fixed Charges (Available Net Income) | \$ 7,141,440 07 | \$ 4,933,341 67 | 223.42 |

D indicates decrease

Income after Fixed Charges (Available Net Income) has been allocated in accordance with Mortgage Indentures to the following purposes:

| | |
|----------------------------------------------------------|----------------|
| Capital Fund | \$ 995,511 04 |
| Sinking Fund for redemption of Series RR Bonds | 679,102 00 |
| Interest on Income Bonds Series A: | |
| Accrued for period, June 13, to Dec. 31, 1940 @ 4% | \$1,055,901 00 |
| Accrued for period, Jan. 1, to Dec. 31, 1941 @ 4½% | 2,089,246 50 |
| | 3,145,147 50 |
| Sinking Fund for redemption of Series A Bonds | 482,870 00 |
| Payment of mortgage bonds | 612,936 51 |
| Increase the Capital Fund | 1,225,873 02 |
| <i>Total</i> | \$7,141,440 07 |

Cumulative interest on the income mortgage bonds at 4% per annum for the period, June 13, to December 31, 1940, was accrued in the accounts for the year 1940. No part of this interest was paid as the earnings (\$533,485.36), which otherwise would have been used for that purpose, were applied to increase the Railroad's working capital as permitted under the provisions of the mortgage indenture.

CAPITAL STOCK

The number of shares of Capital Stock of all classes outstanding December 31, 1941, including fully-paid negotiable receipts for subscriptions to Prior Preference Stock, was 1,046,113 shares, of a par value of \$104,611,300.

CHANGES IN FUNDED DEBT

Funded Debt on December 31, 1941 amounted to \$125,306,500, a decrease of \$1,252,700 since December 31, 1940. Of the total Funded Debt, \$2,651,200 is owned by the Railroad, leaving a balance of \$122,655,300 outstanding in the hands of the public.

DECREASE IN FUNDED DEBT:

Reacquired and Cancelled:

| | |
|-------------------------------------------------|--------------|
| Series RR 1st Mtge. 4% Bonds due 7/1/60..... | \$101,200 00 |
| Series AC 1st Mtge. 5% Bonds due 9/1/67..... | 53,000 00 |
| Series A Income Mtge. 4½% Bonds due 7/1/70..... | 6,000 00 |

Matured Funded Debt Paid Off:

| | |
|----------------------------------------------|--------------|
| Series T 1st Mtge. 5% Bonds paid 9/1/41..... | \$390,000 00 |
|----------------------------------------------|--------------|

Equipment Trusts:

| | |
|------------------------------------------|---------------------|
| No. 4 — 4½% Trust Cert. paid 4/1/41..... | 125,000 00 |
| No. 5 — 5% " " 5/1/41..... | 114,000 00 |
| No. 6 — 4% " " 6/1/41 & 12/1/41..... | 176,000 00 |
| No. 7 — 3½% " " 12/1/41..... | 300,000 00 |
| <i>Total Decrease</i> | <u>1,105,000 00</u> |

INCREASE IN FUNDED DEBT:

| | |
|------------------------------------------------------------------------------------------------|------------------------------|
| Series DD, II, JJ and AC Bonds reinstated because of defaulted assets to Plan of Exchange..... | <u>12,500 00</u> |
| <i>Net Decrease</i> | <u><u>\$1,252,700 00</u></u> |

FREIGHT TRAFFIC

Freight revenue for the year amounted to \$44,718,600.86, an increase of 29.5% over 1940.

This increase is largely attributable to the national defense effort which accelerated throughout the year and reached its 1941 peak with our country's entry into the war in December. The largest increases were in anthracite and bituminous coal, textiles, steel, construction material, foodstuffs, and of gradually increasing importance, guns, gun mounts and other armaments. Heavy defense construction provided a movement of several thousand carloads of materials to such Government projects as Westover Field Air Base, Chicopee, Mass., the new air bases at Manchester, N. H., and Bangor, Me., and to the Navy Yards at Boston, Mass., and Portsmouth, N. H. Increased activity at the Watertown Arsenal has produced a very heavy tonnage which will increase for some time to come. The shipyard at Bath, Me., as well as the two recently constructed shipyards at South Portland, Me., have been large receivers of materials to be used in ship construction. The lend-lease program has increased export movements to Britain and Russia. We have been getting a share of this traffic through the Ports of Boston, Mass., and Portland, Me.

The transfer of many vessels from coastwise and intercoastal trade resulted in heavier than usual all-rail movements of fruits, woodpulp, cotton and paper from the South and all-rail movements of lumber, woodpulp, imported wool and canned goods from the Pacific Coast. The discontinuance of importations of Scandinavian woodpulp resulted in increased production and shipping from pulp mills on our line, with consequent increases in the movements of pulpwood to the mills.

A pipe line has been constructed from Portland, Maine, to Montreal, Quebec, to handle crude petroleum which formerly moved by water.

The requirements of national defense which account for these increases in our tonnage have, through the operation of the priorities system, threatened many of our consumer goods industries with closing for the duration of the war unless their manufacturing processes can be converted to the production of defense materials. We have already begun to feel some traffic losses on this account, particularly in automobiles, rubber goods, building materials, household materials such as furniture, refrigerators, and other goods not directly connected with national defense.

Early in December a petition was filed with the Interstate Commerce Commission on behalf of all Class I railroads, seeking an increase of 10% in freight rates on all commodities with the exception of coal, coke and iron ore, on which an increase of 6¢ per gross ton is sought. This action was made necessary by the increased cost of operation, the major factors in which were the recently awarded wage increases and the increased cost of materials.

There appears to be a definite increase in the use of hard fuel in New England as our anthracite coal tonnage for the third successive year showed an improvement and our tonnage of that commodity handled in 1941 was heavier than in any year since 1930.

During the year 1941 we handled 4,482,109 bushels of grain through our elevators at Boston as compared with 2,407,181 bushels in 1940.

PASSENGER TRAFFIC

Passenger revenue increased 16.3% (\$1,153,193.09) over 1940. This percentage of increase is slightly greater than the average increase for railroads in the eastern district.

Preliminary indications are that passengers moving on U. S. Government transportation requests are responsible for approximately 25% of this increase. In addition to such movements, civilian defense activity together with military and navy personnel traveling on furloughs contributed considerably to the increase.

International travel between the United States and Canada showed a brisk recovery from the 1940 lows. More active business and increased employment made it possible for us to show a small increase in commutation travel, especially marked after July. There was a notable increase in revenue received from race train operations to Rockingham Park. Revenues exceeded all records since the track was opened in 1933. Sunday and holiday excursion patronage also showed large increases. These are a reflection of increased spending by the population served by the railroad together with an increasing acceptance of services which we believe have been soundly established and effectively advertised. In its second year of operation "The East Wind" which operated as a summertime day coach train between Washington-New York-Portland-Bangor showed a substantial increase over 1940 which was the first year of operation. The earnings of this train demonstrates the wisdom of our conclusion to join in the establishment of this modern and speedy summer service between the Middle Atlantic area and the recreational territory served by the railroad.

The 1940 purchase and company operation of three parlor cars proved good

judgment and resulted in the substitution of company ownership and operation of two additional parlor-lounge-buffet cars acquired from the Pullman Company. All local parlor car operations on the Boston and Maine are now under the direction of the railroad.

Curtailment in sale of tires for motor vehicles will present many service and policy problems during the coming year. It is the intention of your management to conduct its passenger operation to the end that first consideration will be given to transportation necessary to defense activity together with a continuingly watchful attitude towards maximum utilization of available equipment. The establishment of several important defense centers on the Boston and Maine makes it imperative that we devote our first attention to providing efficient and economical transportation to and from these points.

A petition was filed with the Interstate Commerce Commission for an increase of 10% in all passenger fares. Hearings were held in January and a decision granting the request was handed down on January 21, 1942. Under conditions of increased train operating cost due to wage and material price increase, it is felt necessary to pass along these increased costs to the user of our services in order to maintain a solvent passenger service. The present situation involving a greatly enlarged passenger traffic market would seem to be favorable to our realizing a return from increased passenger fares.

ROLLING STOCK

Through the past several years many units of steam locomotives, freight train cars and passenger train cars have been scrapped, having outlived their usefulness.

In 1941 five mountain type 4-8-2 new locomotives were acquired (photograph and description on cover of this report); also seven new Diesel switching units. Of the latter, two were 1,000 horsepower, two 600 horsepower and three were 380 horsepower.

During the year we received 100 hopper bottom cars and 9 gondola cars were delivered on our order for 500. We also built at our own shop 8 well-cars and 4 depressed center flatcars for the transportation of freight which can not be loaded in ordinary cars. Our December 31st ownership was 6,166 freight train cars of all types.

We acquired from the Pullman Company and placed in operation one parlor car and two lounge-dining cars.

On December 31st we owned a total of 1,126 passenger train cars and 15 rail motor car units.

BRANCH LINE RETIREMENTS

In continuance of the company's policy of giving up operation of unprofitable branch lines when such discontinuance involved little or no inconvenience to customers, authority was granted by the Interstate Commerce Commission to retire the following branches and the tracks were taken up or sold during the year:

Conway Branch — Jewett, Maine to Somersworth, N. H. — 5.24 miles.

Old Worcester, Nashua & Rochester main line — Hollis to Nashua, N. H. — 3.63 miles.

Newburyport Branch — Topsfield to Newburyport, Mass. — 15.41 miles.
Georgetown Branch — Georgetown to Paper Mill, Mass. — 4.60 miles.
Dover Branch — Dover Point to Sawyer's, N. H. — 3.34 miles.
Groveton Branch — Whitefield Jct. to Lancaster, N. H. — 10.47 miles.
Franklin & Tilton Branch — Franklin Jct. to Franklin Falls, N. H. — 1.13 miles.
Milford Branch — Squannacook Jct. to Pepperell, Mass. — 6.35 miles.
Central Massachusetts Branch — Creamery to Ware, Mass. — 9.32 miles.
Central Massachusetts Branch — Canal Jct. to Norwottuck, Mass. — 7.92 miles.

ADDITIONS AND BETTERMENTS

New trackage was installed to serve United States Army air bases at Chicopee, Mass., and Manchester, N. H.

3.63 miles of Fitchburg Division main line between Baldwinville and Royalston, Mass., in the towns of Templeton, Winchendon, Phillipston and Royalston, Mass., was relocated by the United States Government in connection with the construction of Birch Hill Dam, a flood control project. The new line, 3.40 miles in length, was opened to service on July 22, 1941.

Two grade crossings were eliminated by construction of overhead bridges and three additional crossings by closing the highways through agreements with municipalities. Sixty-three additional crossings were eliminated during the year through the abandonment and retirement of branch tracks.

57 single track miles of new 112-pound rail were laid on the New Hampshire and Fitchburg Divisions main lines.

13 single track miles of stone ballast were installed on the New Hampshire Division and 10 single track miles of gravel ballast on the Connecticut River line of the Fitchburg Division.

Approximately 3,700 additional oil-burning switch heaters were installed for melting snow. These together with other snow removing equipment have been installed in the effort to overcome a possible shortage of labor for snow handling purposes.

The installation of new or improved automatic highway crossing protection was continued and modern automatic flashers were installed at six additional crossings — two automatic flashers were installed to replace bells; one new flasher and gate was put in; an automatic gate was added to existing flasher at one crossing; one automatic flasher replaced an old style signal; two manually operated traffic signals replaced old style signals; and additional flashing lights, additional bells and gatemen's warning bells were installed. The program of installing approach-lighted interlocking signals in place of permanent lighted signals was continued. The added use of Diesel switching engines has made it necessary to install fuel tanks at several points on the line and new facilities for repairing Diesel units were provided at Boston.

At the North Station in Boston the program of replacing concrete and wood passenger platforms with continuous bituminous surface platforms several inches higher than the old platforms was completed. In many cases the platforms were lengthened to take care of the longer and heavier trains now being handled.

TAXES

In 1941, the Boston and Maine Railroad was assessed the largest tax bill in its history, \$5,063,028. 1940 Taxes were \$3,684,931. Federal Income and Capital Stock taxes accounted for \$1,068,237 of the increase.

Taxes paid under the requirements of the Federal Railroad Retirement Act were \$814,063 in 1941 as compared with \$702,430 in 1940. During 1941, 267 additional annuities were granted by the Railroad Retirement Board to Boston and Maine Railroad employees.

Unemployment Insurance (Social Security Act) taxes in 1941 were \$814,002 compared with similar taxes in 1940 of \$703,464.

MATERIALS AND SUPPLIES

Because of the economic conditions, and as insurance against interruption at the mines and transportation, it was considered advisable to increase our stock of coal for use on locomotives from 45,100 tons on hand December 31, 1940 to 132,360 tons on December 31, 1941. This represents an added investment in coal of \$439,000. The consumption in December 1941 was 91,924 tons.

Delayed and indefinite deliveries of material for maintenance and operation of facilities and equipment, brought about by the abnormal demand for materials for defense, made it necessary to increase our investment of material and supplies, other than coal, \$659,756.

Because of increased business activity, the material and supplies used in 1941 were \$2,626,000 or 35% greater than during the corresponding period in 1940.

OPERATING RESULTS

The substantial increase in volume of freight traffic that was progressive throughout the year, together with favorable weather conditions combined to set up a new record in freight train efficiency. The greatest average freight train load in the history of the railroad was transported at an average train speed commensurate with economy as well as safety that produced a new high in train hour production of 30,076 Gross Ton Miles per Train Hour, an increase of 7.4% over the previous best figure in 1940 of 27,996. The effort to build up this item of efficiency was begun in the year 1923 and the performance for that year amounted to 10,581. The performance passed the 20,000 mark for the first time in 1929 when it reached 21,015 and passed the 30,000 mark for the first time in 1941, when the record referred to above was made.

Another record was established in the conservation of fuel during the year. The previous best record established in 1940 at 98 pounds of coal per 1000 G.T.M. produced in freight service, was lowered in 1941 to 94 pounds, or a decrease of 4.1%. This reduction has a special significance when it is pointed out that the average cost per ton for coal was nearly 10% higher in 1941.

All railroads were urged early in the year to increase the utilization of all classes of equipment to avoid possible shortage of locomotives and cars to handle the expected burden to be placed upon the carriers. Our contribution in this respect is shown by an increase in average miles per serviceable freight loco-

motive per day that increased from 96.1 in 1940 to 106.0 in 1941 or 10.3%. In passenger service the corresponding performance was increased from 124.7 in 1940 to 127.9 in 1941 or 2.6%. Likewise the net ton miles per freight car day increased from 560 in 1940 to 659 in 1941, a gain of 17.7%. The three factors that make up this item were all better during the year, namely the speed of the car, the average load in each car, and the higher proportion of loaded cars in the trains operated.

Special efforts were made throughout the year to keep all equipment in serviceable condition to meet the demand of the heavier traffic. Especially striking is the bad order freight car situation that reached the low figure of 2.5% of bad order to total freight cars on the line, or just about one-half the proportion for the year 1940.

WAGE INCREASES

On June 10, 1941 the railroads of the country received requests from their labor organizations for substantial increases in rates of pay, to become effective on July 10. We authorized a committee representing the railroads to negotiate with representatives of the employees for a settlement to be applicable to all principal railroads on a national basis.

Conferences were held, beginning July 24th, and on August 5th no adjustment having been reached, the several employee groups took strike ballots, returnable September 5th.

On August 11th the National Mediation Board took jurisdiction of the case, and during mediation the committee representing the managements of the railroads offered the employees an increase in pay effective September 1, 1941, the increase being based on a plan that took into consideration the earnings of the railroads and the cost of living, using July 15, 1937 as the basis for such calculations.

The Mediation Board, being unable to bring about any settlement, asked both labor and management to arbitrate. Committees representing management agreed to arbitrate and employee representatives refused. The Train and Engine service brotherhoods notified the National Mediation Board that they would strike, effective September 15th, and all other employees set their date to strike for September 11th.

The Mediation Board then notified the President of the United States that railroad employees had set a date to strike, thereby threatening interruption of service, and the President appointed a Fact Finding Board consisting of five members to hear the case and make a recommendation to him as to their findings. Hearings before the Fact Finding Board started September 16th and were concluded on October 22nd, during which time witnesses were heard, exhibits introduced and arguments made by all parties to the dispute.

On November 5th the Board made their report to the President of the United States recommending that effective September 1, 1941 wages of train and engine service employees be increased $7\frac{1}{2}\%$, and all other employees 9¢ per hour, these increases to terminate December 31, 1942. The committee representing management on November 7th notified the President of the United States they would accept the recommendations of the Fact Finding Board. Represent-

atives of the employees of the train and engine service rejected the Fact Finding Board's report and notified the railroads that they would strike December 7th. Representatives of the balance of the employees refused to accept the report but set no date for strike.

Several conferences were held with no results, and on November 25th the President requested members of the Fact Finding Board to re-open the case to hear further evidence and make report to him as to their findings.

Hearings were held on November 28th and 29th, at the conclusion of which the Fact Finding Board, having had no new evidence submitted to change their original report, offered to act as mediators, and if through such mediation proceedings no agreement was reached, they would state what, in their opinion, should be done, with the understanding that both sides would abide by it. Both sides agreed to accept their offer, but they were unable to bring about a mutual agreement, and as a result on December 1st they advised the representatives of the employees and management that the dispute should be settled on the basis that from September 1st to December 1st, employees in the train and engine service should receive a $7\frac{1}{2}\%$ increase, and thereafter $9\frac{1}{2}\%$ an hour; all other employees $9\frac{1}{2}\%$ an hour September 1st to December 1st, and $10\frac{1}{2}\%$ an hour thereafter. All parties to the dispute advised the Board that they would accept their decision.

Another matter that was in dispute between employees and management was request for vacation with pay for all employees, other than those engaged in train and engine service. The Fact Finding Board also handled this dispute but their recommendation was rejected by representatives of the employees and the question was included in the strike ballot.

As in the wage case, the Fact Finding Board acted as mediators, and finally, as mediators, issued an order which had to be accepted by both parties. This provided for vacation to all employees other than those engaged in engine and train service of 6 days with pay, providing they had worked 160 days in the previous year, and in addition thereto employees represented by certain of the Brotherhoods who had been in the service two years would receive 9 days' vacation with pay, and those with three years or more service would receive 12 days' vacation with pay.

It is estimated that these increases will result in an additional annual cost to this railroad, based on present employment, of \$3,600,000.

LONG-SERVICE PASSES

On January 1, 1931 the company adopted a practice of issuing to every employee with 50 years or more of service with the railroad a card pass, good on the entire system, personally signed by the President, and good during the lifetime of the recipient.

228 such passes were issued on January 1, 1931. On January 1, 1941 a total of 709 employees had received this recognition of their long service with the Boston and Maine Railroad.

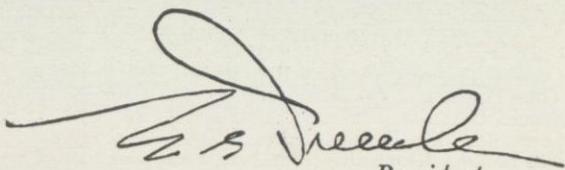
In 1941, 17 more employees were given this award.

There are 86 of these employees now in service.

During the year a plan became effective under which supervisory officers upon reaching retirement age, and heirs of such officers, may in the discretion of the Advisory Board established under said plan become entitled to receive benefits in amounts to be determined by said Board. The Company may but is not obligated to make any payments to said plan in addition to the \$250,000 paid in 1941.

The Directors are happy to record their appreciation of the continued loyalty and efficiency of officers and employees and to express their thanks for the coöperation and good will of the users of our services.

By order of the Board of Directors



E.S. Steele
President

February 24, 1942

CONDENSED GENERAL BALANCE SHEET — Assets

| ROAD AND EQUIPMENT | Dec. 31, 1941 | Dec. 31, 1940 |
|--------------------------------------------------------|-------------------------|-------------------------|
| Investment in Road..... | \$178,383,451 47 | \$180,375,844 78 |
| Investment in Equipment..... | 49,516,028 99 | 48,780,002 44 |
| <i>Total</i> | \$227,899,480 46 | \$229,155,847 22 |
| Improvements on Leased Property..... | 17,045,755 91 | 16,969,558 34 |
| Sinking Fund..... | 314,800 00 | — |
| Deposits in Lieu of Mortgaged Property Sold..... | 976,448 69 | 741,589 61 |
| Miscellaneous Physical Property..... | 1,955,745 08 | 2,487,267 20 |
| Investments in Affiliated Companies..... | 6,159,018 86 | 5,185,303 97 |
| Other Investments..... | 1,740,649 76 | 2,099,246 03 |
| <i>Total Investments</i> | \$256,091,898 76 | \$256,638,812 37 |
| CURRENT ASSETS | | |
| Cash..... | \$ 5,656,343 33 | \$ 3,517,270 16 |
| Cash in Transit — Agents' Remittances..... | 593,409 05 | 383,214 22 |
| Time Drafts and Deposits..... | 33,000 00 | 33,000 00 |
| Special Deposits..... | 490,074 49 | 781,577 42 |
| Loans and Bills Receivable..... | 608 00 | 208 00 |
| Net Balance Receivable from Agents and Conductors..... | 1,387,639 29 | 955,370 48 |
| Miscellaneous Accounts Receivable..... | 2,830,201 63 | 1,829,858 28 |
| Material and Supplies..... | 4,299,774 97 | 3,201,019 15 |
| Interest and Dividends Receivable..... | 111,119 22 | 95,913 26 |
| Rents Receivable..... | 113,000 00 | 113,000 00 |
| Other Current Assets..... | 36,591 71 | 29,176 48 |
| <i>Total Current Assets</i> | \$ 15,551,761 69 | \$ 10,939,607 45 |
| DEFERRED ASSETS | | |
| Working Fund Advances..... | \$ 10,507 61 | \$ 10,372 61 |
| Insurance and Other Funds..... | 420,810 93 | 255,534 64 |
| Other Deferred Assets..... | 1,950,116 52 | 1,939,497 37 |
| <i>Total Deferred Assets</i> | \$ 2,381,435 06 | \$ 2,205,404 62 |
| UNADJUSTED DEBITS | | |
| Insurance Premiums Paid in Advance..... | \$ 74,319 66 | \$ 91,035 01 |
| Discount on Funded Debt..... | 786,816 76 | 832,642 42 |
| Other Unadjusted Debits..... | 964,210 06 | 1,247,490 79 |
| Securities Issued or Assumed — Unpledged..... | 1,740,400 00 | 552,500 00 |
| <i>Total Unadjusted Debits</i> | \$ 3,565,746 48 | \$ 2,723,668 22 |
| <i>Grand Total</i> | \$277,590,841 99 | \$272,507,492 66 |

CONDENSED GENERAL BALANCE SHEET — Liabilities

| CAPITAL STOCK | Dec. 31, 1941 | Dec. 31, 1940 |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| Common Stock — 395,051 Shares | \$ 39,505,100 00 | \$ 39,505,100 00 |
| Preferred Stock — 31,498 Shares | 3,149,800 00 | 3,149,800 00 |
| First Preferred Stock — 388,179 Shares | 38,817,900 00 | 38,817,900 00 |
| Prior Preference Stock (Includes Negotiable Receipts) | 23,138,500 00 | 23,138,500 00 |
| <i>Total Capital Stock</i> | <i>\$104,611,300 00</i> | <i>\$104,611,300 00</i> |
| Stock Liability for Conversion | 1,500 00 | 1,500 00 |
| Premiums on Capital Stock | 4,227,040 14 | 4,227,040 14 |
| <i>Total Capital Stock and Premiums</i> | <i>\$108,839,840 14</i> | <i>\$108,839,840 14</i> |
| Grants in Aid of Construction | \$ 67,275 09 | \$ 17,252 22 |
| LONG TERM DEBT | | |
| Funded Debt Unmatured | \$125,306,500 00 | \$126,559,200 00 |
| CURRENT LIABILITIES | | |
| Traffic and Car Service Balances — Net Payable | \$ 2,751,470 38 | \$ 2,281,146 50 |
| Audited Accounts and Wages Payable | 2,835,254 37 | 5,171,262 23 |
| Miscellaneous Accounts Payable | 314,378 55 | 393,408 99 |
| Interest Matured Unpaid | 1,403,158 23 | 1,543,101 77 |
| Dividends Matured Unpaid | 12,858 81 | 12,880 81 |
| Unmatured Interest Accrued * | 3,247,259 96 | 104,765 69 |
| Unmatured Rents Accrued | 256,598 91 | 249,421 63 |
| Accrued Tax Liability | 2,203,793 16 | 874,367 48 |
| Other Current Liabilities | 23,726 00 | 14,509 48 |
| <i>Total Current Liabilities</i> | <i>\$ 13,048,498 37</i> | <i>\$ 10,644,864 58</i> |
| DEFERRED LIABILITIES | | |
| Due to Leased Roads at Expiration of Leases | \$ 209,988 70 | \$ 209,988 70 |
| Contingent Interest Accrued † | — | 1,055,901 00 |
| Miscellaneous Equipment Obligations | 3,138,540 78 | 2,557,957 85 |
| New York State E.G.C. Projects | 343,795 35 | 340,235 09 |
| Other Deferred Liabilities | 25,797 97 | 35,784 24 |
| <i>Total Deferred Liabilities</i> | <i>\$ 3,718,122 80</i> | <i>\$ 4,199,866 88</i> |
| UNADJUSTED CREDITS | | |
| Insurance and Casualty Reserves | \$ 50,000 00 | \$ 737,819 86 |
| Accrued Depreciation — Road | 161,349 85 | 156,860 89 |
| Accrued Depreciation — Equipment | 19,147,838 60 | 18,556,929 55 |
| Accrued Depreciation — Miscellaneous Physical Property | 665,971 41 | 670,675 13 |
| Other Unadjusted Credits | 1,916,953 12 | 1,352,274 23 |
| <i>Total Unadjusted Credits</i> | <i>\$ 21,942,112 98</i> | <i>\$ 21,474,559 66</i> |
| CORPORATE SURPLUS | | |
| Additions to Property through Income since June 30, 1907 | \$ 3,499,122 19 | \$ 3,377,323 77 |
| Funded Debt Retired through Income and Surplus | 4,712,000 00 | 4,527,102 00 |
| Sinking Fund Reserves | 1,161,972 00 | — |
| Miscellaneous Fund Reserves | 683,453 83 | 601,835 79 |
| Appropriated Surplus not Specifically Invested | 2,834,320 57 | — |
| <i>Total Appropriated Surplus</i> | <i>\$ 12,890,868 59</i> | <i>\$ 8,506,261 56</i> |
| Profit and Loss — Balance | D 8,222,375 98 | D 7,734,352 38 |
| <i>Total Corporate Surplus</i> | <i>\$ 4,668,492 61</i> | <i>\$ 771,909 18</i> |
| <i>Grand Total</i> | <i>\$277,590,841 99</i> | <i>\$272,507,492 66</i> |

BONDS GUARANTEED

| | |
|--------------------------------------------------------------------------------------------------------------------------------|----------------|
| The St. Johnsbury and Lake Champlain R.R. Co. First Mortgage 5% Bonds due March 1, 1944 | \$1,328,000 00 |
| Concord & Claremont, N. H., R.R. First Mortgage 5% Bonds, due January 1, 1944 | 500,000 00 |
| The Peterborough and Hillsborough R.R. First Mortgage 4½% Bonds due July 1, 1951, owned by Boston and Maine Railroad | 100,000 00 |
| | \$1,928,000 00 |

D Indicates Debit Balance.

* 1941 includes interest on Income Bonds covering period June 13 to Dec. 31, 1940 @ 4%, and period Jan. 1 to Dec. 31, 1941 @ 4½%.

† Represents interest accrued on Income Bonds @ 4% covering period June 13 to Dec. 31, 1940, but not paid.

INCOME ACCOUNT

| | Year Ended Dec. 31, 1941 | Increase or <i>Decrease</i> | Per cent |
|---------------------------------------------------------|-----------------------------|--------------------------------|--------------|
| TRANSPORTATION REVENUE | | | |
| Freight | \$44,718,600 86 | \$10,195,207 18 | 29.53 |
| Passenger | 8,225,208 04 | 1,153,193 09 | 16.31 |
| Excess Baggage | 9,708 22 | 2,566 91 | 35.94 |
| Parlor and Chair Car | 15,629 25 | 10,903 57 | 230.73 |
| Mail | 1,422,117 66 | 6,802 59 | 0.48 |
| Express | 751,151 20 | D 83,102 52 | 9.96 |
| Other Passenger Train | 271,202 03 | D 2,045 56 | 0.75 |
| Milk | 855,344 61 | 73,524 65 | 9.40 |
| Switching | 639,958 20 | 77,259 22 | 13.73 |
| Water Transfers — Freight | 6,842 62 | D 3,497 29 | 33.82 |
| <i>Total Transportation Revenue</i> | \$56,915,762 69 | \$11,430,811 84 | 25.13 |
| INCIDENTAL REVENUE | | | |
| Dining and Buffet | \$ 83,371 63 | \$ 19,551 59 | 30.64 |
| Station and Train Privileges | 135,288 87 | D 47,920 77 | 26.16 |
| Parcel Room | 17,137 10 | 2,554 66 | 17.52 |
| Storage — Freight | 57,077 83 | D 2,875 79 | 4.80 |
| Storage — Baggage | 2,992 14 | 715 70 | 31.44 |
| Demurrage | 275,313 49 | 104,722 29 | 61.39 |
| Telegraph and Telephone | 18,313 17 | 2,170 00 | 13.44 |
| Grain Elevator | 70,576 18 | 7,138 07 | 11.25 |
| Power | 51,610 63 | D 4,714 42 | 8.37 |
| Rents of Buildings and Other Property | 731,464 71 | 81,884 00 | 12.61 |
| Miscellaneous | 632,358 94 | 16,949 12 | 2.75 |
| <i>Total Incidental Revenue</i> | \$ 2,075,504 69 | \$ 180,174 45 | 9.51 |
| Joint Facility — Cr | \$ 215,160 34 | D \$ 5,316 17 | 2.41 |
| Joint Facility — Dr | 3,016 39 | 50 97 | 1.72 |
| <i>Total Joint Facility Operating Revenue</i> | \$ 212,143 95 | D \$ 5,367 14 | 2.47 |
| <i>Total Operating Revenues</i> | \$59,203,411 33 | \$11,605,619 15 | 24.38 |
| OPERATING EXPENSES | | | |
| Maintenance of Way and Structures | \$ 7,347,927 73 | \$ 1,545,343 11 | 26.63 |
| Maintenance of Equipment | 8,578,288 00 | 1,499,611 24 | 21.18 |
| Traffic | 803,763 67 | 31,618 31 | 4.09 |
| Transportation | 21,327,699 78 | 2,548,862 59 | 13.57 |
| Miscellaneous Operations | 136,833 98 | 33,319 27 | 32.19 |
| General | 2,105,530 01 | 374,589 43 | 21.64 |
| Transportation for Investment — Cr | 2,570 87 | D 6,136 54 | 70.47 |
| <i>Total Operating Expenses</i> | \$40,297,472 30 | \$ 6,039,480 49 | 17.63 |
| <i>Operating Ratio</i> | (68.07%) | D (3.90) | |
| <i>Net Operating Revenue</i> | \$18,905,939 03 | \$ 5,566,138 66 | 41.73 |
| TAX ACCRUALS | \$ 5,038,030 72 | \$ 1,376,976 69 | 37.61 |
| <i>Operating Income</i> | \$13,867,908 31 | \$ 4,189,161 97 | 43.28 |
| Rent from Locomotives | \$ 16,235 75 | \$ 6,526 95 | 67.23 |
| Rent from Passenger-Train Cars | 324,449 39 | 26,862 32 | 9.03 |
| Rent from Work Equipment | 27,041 75 | D 5,460 10 | 16.80 |
| Joint Facility Rent Income | 317,365 08 | 3,847 70 | 1.23 |
| <i>Total Rent Income</i> | \$ 685,091 97 | \$ 31,776 87 | 4.86 |

D Indicates decrease.

INCOME ACCOUNT — Concluded

| | Year Ended Dec. 31, 1941 | Increase or Decrease | Per cent |
|--------------------------------------------------------------|-----------------------------|-------------------------|-------------|
| Hire of Freight Cars — Debit Balance..... | \$ 3,081,245 30 | \$ 621,789 68 | 25.28 |
| Rent for Locomotives..... | 8,458 78 | D 1,360 63 | 13.86 |
| Rent for Passenger Train Cars..... | 542,077 38 | 78,840 51 | 17.02 |
| Rent for Floating Equipment..... | — | D 750 57 | 100.00 |
| Rent for Work Equipment..... | 13,451 36 | 404 39 | 3.10 |
| Joint Facility Rents..... | 415,169 86 | D 35,340 43 | 7.84 |
| <i>Total Rents Payable</i> | \$ 4,060,402 68 | \$ 663,582 95 | 19.54 |
| <i>Net Rents Payable</i> | \$ 3,375,310 71 | \$ 631,806 08 | 23.03 |
| <i>Net Railway Operating Income</i> | \$10,492,597 60 | \$ 3,557,355 89 | 51.29 |
| OTHER INCOME | | | |
| Income from Lease of Road and Equipment..... | \$ 318,380 00 | \$ — | — |
| Miscellaneous Rent Income..... | 291,736 67 | D 7,104 97 | 2.38 |
| Miscellaneous Nonoperating Physical Property..... | 151,256 45 | 60,457 71 | 66.58 |
| Separately Operated Properties — Profit..... | — | D 735 85 | 100.00 |
| Dividend Income..... | 113,888 96 | 37,332 22 | 48.76 |
| Income from Funded Securities..... | 322,369 66 | 190,436 01 | 144.34 |
| Income from Unfunded Securities and Accounts..... | 45,235 90 | D 112,951 79 | 71.40 |
| Income from Sinking and Other Reserve Funds..... | 15,901 84 | D 27,342 36 | 63.23 |
| Release of Premiums on Funded Debt..... | 1,244 83 | D 326 15 | 20.76 |
| Miscellaneous Income..... | 61,991 16 | 22,019 19 | 55.09 |
| <i>Total Other Income</i> | \$ 1,322,005 47 | \$ 161,784 01 | 13.94 |
| <i>Total Income</i> | \$11,814,603 07 | \$ 3,719,139 90 | 45.94 |
| MISCELLANEOUS DEDUCTIONS FROM INCOME | | | |
| Miscellaneous Rents..... | \$ 6,609 30 | D \$ 886 55 | 11.83 |
| Miscellaneous Tax Accruals..... | 24,997 76 | 1,120 06 | 4.69 |
| Separately Operated Properties — Loss..... | — | D 8,385 47 | 100.00 |
| Miscellaneous Income Charges..... | 37,031 21 | 27,552 58 | 290.68 |
| <i>Total Miscellaneous Deductions</i> | \$ 68,638 27 | \$ 19,400 62 | 39.40 |
| <i>Income Available for Fixed Charges</i> | \$11,745,964 80 | \$ 3,699,739 28 | 45.98 |
| FIXED CHARGES | | | |
| Rent for Leased Roads..... | \$ 1,327,916 21 | \$ 82,910 24 | 6.66 |
| Interest on Funded Debt — Fixed Interest..... | 3,123,587 11 | D 914,544 79 | 22.65 |
| Interest on Unfunded Debt..... | 114,216 67 | D 373,719 31 | 76.59 |
| Amortization of Discount on Funded Debt..... | 38,804 74 | D 28,248 53 | 42.13 |
| <i>Total Fixed Charges</i> | \$14,604,524 73 | D \$ 1,233,602 39 | 21.13 |
| <i>Income After Fixed Charges</i> | \$ 7,141,440 07 | \$ 4,933,341 67 | 223.42 |
| CONTINGENT CHARGES | | | |
| Interest on Funded Debt — Contingent Interest..... | \$ 2,089,246 50 | \$ 1,033,345 50 | 97.86 |
| <i>Net Income</i> | \$ 5,052,193 57 | \$ 3,899,996 17 | 338.48 |
| DISPOSITION OF NET INCOME | | | |
| Income applied to Sinking and Other Reserve Funds..... | \$ 1,161,972 00 | \$ 482,870 00 | |
| Income Appropriated for Investment in Physical Property..... | 995,511 04 | — | |
| Miscellaneous Appropriations of Income..... | 1,838,809 53 | 1,838,809 53 | |
| <i>Total Appropriations of Income</i> | \$ 3,996,292 57 | \$ 2,321,679 53 | |
| <i>Balance Transferred to Profit & Loss</i> | \$ 1,055,901 00 | \$ 1,578,316 64 | |

D Indicates decrease.

OPERATING EXPENSES

| | Year Ended Dec. 31, 1941 | Increase or Decrease |
|--------------------------------------------------------------------|-----------------------------|-------------------------|
| MAINTENANCE OF WAY AND STRUCTURES | | |
| Superintendence | \$ 444,159 62 | \$ 57,809 35 |
| Roadway Maintenance | 532,399 78 | 90,159 48 |
| Tunnels and Subways | 9,578 20 | D 7,295 26 |
| Bridges, Trestles and Culverts | 341,899 96 | 164,192 39 |
| Ties | 619,761 92 | 110,539 70 |
| Rails | 207,045 77 | 18,956 29 |
| Other Track Material | 450,488 82 | 120,086 53 |
| Ballast | 66,274 63 | 28,069 82 |
| Track Laying and Surfacing | 1,992,554 71 | 577,044 47 |
| Fences, Snowsheds and Signs | 36,173 34 | 6,335 88 |
| Station and Office Buildings | 479,829 77 | 160,211 07 |
| Station and Office Buildings — Depreciation | 4,488 96 | — |
| Roadway Buildings | 20,883 17 | 3,924 59 |
| Water Stations | 48,394 46 | 11,241 96 |
| Fuel Stations | 45,718 53 | 18,942 03 |
| Shops and Enginehouses | 246,732 63 | 53,852 44 |
| Grain Elevators | 19,146 82 | 4,473 84 |
| Storage Warehouses | 182 18 | D 341 18 |
| Wharves and Docks | 63,391 49 | D 18,957 21 |
| Coal and Ore Wharves | 64,732 58 | 30,731 48 |
| Telegraph and Telephone Lines | 42,687 53 | 6,250 11 |
| Signals and Interlockers | 587,632 36 | 105,025 45 |
| Power Plants | 2,184 47 | D 930 10 |
| Power Transmission Systems | 36,032 02 | 1,766 56 |
| Miscellaneous Structures | 619 47 | 283 98 |
| Roadway Machines | 118,805 52 | 25,783 63 |
| Small Tools and Supplies | 131,653 94 | 33,978 69 |
| Removing Snow, Ice and Sand | 339,307 66 | D 140,795 79 |
| Public Improvements — Maintenance | 158,474 63 | 47,030 70 |
| Injuries to Persons | 68,275 78 | 24,880 77 |
| Insurance | 14,920 78 | 426 35 |
| Stationery and Printing | 6,989 24 | 1,573 36 |
| Other Expenses | 735 55 | 373 61 |
| Maintaining Joint Tracks, Yards and Other Facilities — Dr. | 222,514 58 | 18,738 26 |
| Maintaining Joint Tracks, Yards and Other Facilities — Cr. | 76,743 14 | 9,020 14 |
| <i>Total Maintenance of Way and Structures</i> | <i>\$ 7,347,927 73</i> | <i>\$1,545,343 11</i> |
| <i>Ratio to Total Operating Revenues</i> | <i>(12.41%)</i> | <i>(.22%)</i> |
| MAINTENANCE OF EQUIPMENT | | |
| Superintendence | \$ 339,360 46 | \$ 20,288 14 |
| Shop Machinery | 229,252 87 | 43,772 92 |
| Power-Plant Machinery | 58,452 46 | 16,442 56 |
| Steam Locomotives — Repairs | 3,864,526 14 | 816,686 37 |
| Other Locomotives — Repairs | 129,063 89 | 8,724 91 |
| Freight-Train Cars — Repairs | 910,699 48 | 173,369 97 |
| Passenger-Train Cars — Repairs | 1,266,428 37 | 418,768 61 |
| Floating Equipment — Repairs | 164 34 | D 535 27 |
| Work Equipment — Repairs | 208,384 07 | 20,678 88 |
| Miscellaneous Equipment — Repairs | 7,083 06 | D 4,156 20 |
| Equipment — Retirements | 15,079 32 | D 17,655 20 |
| Equipment — Depreciation | 1,424,275 62 | D 18,572 01 |
| Injuries to Persons | 54,834 70 | 16,743 47 |
| Insurance | 7,436 82 | 1,077 81 |
| Stationery and Printing | 8,327 77 | 2,603 76 |
| Other Expenses | 3,473 27 | 778 10 |
| Maintaining Joint Equipment at Terminals — Dr. | 57,134 36 | 1,872 43 |
| Maintaining Joint Equipment at Terminals — Cr. | 5,689 00 | 1,278 01 |
| <i>Total Maintenance of Equipment</i> | <i>\$ 8,578,288 00</i> | <i>\$1,499,611 24</i> |
| <i>Ratio to Total Operating Revenues</i> | <i>(14.49%)</i> | <i>D (.38%)</i> |

D Indicates decrease.

OPERATING EXPENSES — *Continued*

| TRAFFIC | Year Ended Dec. 31, 1941 | Increase or Decrease |
|------------------------------------------------------|-----------------------------|-------------------------|
| Superintendence | \$ 313,608 54 | \$ 26,013 79 |
| Outside Agencies | 267,819 96 | 1,581 47 |
| Advertising | 138,697 93 | D 9,303 59 |
| Traffic Associations | 31,728 84 | D 2,434 06 |
| Industrial and Immigration Bureaus | 10,327 49 | D 3,263 73 |
| Insurance | 20 11 | D 324 96 |
| Stationery and Printing | 40,625 85 | 18,654 99 |
| Other Expenses | 934 95 | 694 40 |
| <i>Total Traffic</i> | \$ 803,763 67 | \$ 31,618 31 |
| <i>Ratio to Total Operating Revenues</i> | (1.36%) | D (.26%) |
| TRANSPORTATION | | |
| Superintendence | \$ 534,422 52 | \$ 32,163 77 |
| Dispatching Trains | 208,885 26 | 8,958 16 |
| Station Employees | 3,324,648 77 | 435,549 16 |
| Weighing, Inspection and Demurrage Bureaus | 19,755 06 | 2,743 35 |
| Coal and Ore Wharves | 85,784 09 | D 5,942 08 |
| Station Supplies and Expenses | 295,589 17 | 14,755 39 |
| Yardmasters and Yard Clerks | 521,104 86 | 67,280 47 |
| Yard Conductors and Brakemen | 1,209,204 72 | 216,478 69 |
| Yard Switch and Signal Tenders | 181,323 14 | 3,672 61 |
| Yard Enginemen | 543,084 99 | 106,124 12 |
| Yard Motormen | 205,043 32 | 27,686 78 |
| Yard Switching Fuel | 523,844 22 | 123,547 13 |
| Water for Yard Locomotives | 18,326 57 | 1,687 57 |
| Lubricants for Yard Locomotives | 15,875 66 | 579 11 |
| Other Supplies for Yard Locomotives | 10,804 90 | 1,167 70 |
| Enginehouse Expenses — Yard | 122,902 86 | 12,291 32 |
| Yard Supplies and Expenses | 51,933 87 | 5,160 88 |
| Operating Joint Yards and Terminals — Dr. | 1,200,981 54 | 89,509 96 |
| Operating Joint Yards and Terminals — Cr. | 212,229 25 | 10,788 00 |
| Train Enginemen | 2,137,757 74 | 242,133 89 |
| Train Motormen | 92,145 08 | 4,464 87 |
| Train Fuel | 3,582,701 17 | 611,803 25 |
| Train Power Purchased | 118,660 21 | 9,533 36 |
| Water for Train Locomotives | 150,197 99 | 17,761 44 |
| Lubricants for Train Locomotives | 96,333 17 | 12,075 67 |
| Other Supplies for Train Locomotives | 54,431 48 | 7,355 04 |
| Enginehouse Expenses — Train | 728,780 37 | 62,520 44 |
| Trainmen | 2,727,428 57 | 273,367 65 |
| Train Supplies and Expenses | 885,365 66 | 65,549 15 |
| Signal and Interlocker Operation | 463,990 22 | 27,728 37 |
| Crossing Protection | 715,669 82 | 15,204 99 |
| Drawbridge Operation | 24,057 27 | 460 77 |
| Telegraph and Telephone Operation | 43,881 82 | 1,510 94 |
| Operating Floating Equipment | 7,980 17 | D 8,095 64 |
| Stationery and Printing | 100,191 78 | 21,778 27 |
| Other Expenses | 18,819 00 | 6,865 71 |
| Operating Joint Tracks and Facilities — Dr. | 40,644 03 | D 51,582 51 |
| Operating Joint Tracks and Facilities — Cr. | 46,917 99 | 24 71 |
| Insurance | 4,569 05 | D 256 97 |
| Clearing Wrecks | 27,859 02 | 5,456 31 |
| Damage to Property | 29,694 76 | 11,871 00 |
| Damage to Live Stock on Right-of-Way | 4,373 35 | 2,066 27 |
| Loss and Damage — Freight | 258,280 05 | 52,606 69 |
| Loss and Damage — Baggage | 1,349 81 | 90 45 |
| Injuries to Persons | 198,169 91 | 24,091 80 |
| <i>Total Transportation</i> | \$21,327,699 78 | \$2,548,862 59 |
| <i>Ratio to Total Operating Revenues</i> | (36.02%) | D (3.43%) |

D Indicates decrease.

OPERATING EXPENSES — Concluded

| | Year Ended Dec. 31, 1941 | Increase or Decrease |
|-----------------------------------------------------|-----------------------------|-------------------------|
| MISCELLANEOUS OPERATIONS | | |
| Dining and Buffet Service..... | \$ 103,324 06 | \$ 18,763 91 |
| Grain Elevators..... | 33,350 92 | 14,555 24 |
| Other Miscellaneous Operations..... | 159 00 | 12 |
| <i>Total Miscellaneous Operations.....</i> | \$ 136,833 98 | \$ 33,319 27 |
| <i>Ratio to Total Operating Revenues.....</i> | (.23%) | (.01%) |
| GENERAL | | |
| Salaries and Expenses of General Officers..... | \$ 157,434 93 | D \$ 9,130 76 |
| Salaries and Expenses of Clerks and Attendants..... | 1,229,776 91 | 35,612 42 |
| General Office Supplies and Expenses..... | 121,934 51 | 18,652 54 |
| Law Expenses..... | 139,983 01 | 11,752 34 |
| Insurance..... | 436 27 | D 33 22 |
| Pensions..... | 256,251 69 | 248,928 89 |
| Stationery and Printing..... | 89,184 65 | 55,385 63 |
| Valuation Expenses..... | 24,104 99 | 69 20 |
| Other Expenses..... | 73,308 58 | 12,634 43 |
| General Joint Facilities — Dr..... | 13,114 47 | 717 96 |
| <i>Total General.....</i> | \$ 2,105,530 01 | \$ 374,589 43 |
| <i>Ratio to Total Operating Revenues.....</i> | (3.56%) | D (.08%) |
| Transportation for Investment — Cr..... | \$ 2,570 87 | D \$ 6,136 54 |
| <i>Total Operating Expenses.....</i> | \$40,297,472 30 | \$6,039,480 49 |
| <i>Ratio to Total Operating Revenues.....</i> | (68.07%) | D (3.90%) |

D Indicates decrease.

PROFIT AND LOSS ACCOUNT, DECEMBER 31, 1941

| Item | Dr. | Cr. |
|-----------------------------------------------------------------|-----------------|-----------------|
| Balance, December 31, 1940 (Debit)..... | \$ 7,734,352 38 | \$ |
| Credit Balance from Income Account for Year 1941..... | | 1,055,901 00 |
| Adjustment to Par of Boston and Maine R.R. Bonds Purchased..... | | 815,852 36 |
| Cancellation of Insurance Reserve Account..... | | 687,819 86 |
| Miscellaneous Credits..... | | 25,033 37 |
| Loss on Retired Road and Equipment: | | |
| Retirement of Road: | | |
| Topsfield to Newburyport, Mass..... | 345,660 12 | |
| Creamery to Ware, Mass..... | 338,247 22 | |
| Whitefield Jct. to Lancaster, N. H..... | 240,167 91 | |
| Jewett, Me., to Somersworth, N. H..... | 226,670 10 | |
| Canal Jct. to Norwottuck, Mass..... | 209,740 93 | |
| Georgetown to Paper Mill, Mass..... | 149,937 72 | |
| Squannacook Jct. to Pepperell, Mass..... | 136,453 27 | |
| Hollis to Nashua, N. H..... | 107,287 37 | |
| Dover Point to Sawyers, N. H..... | 84,617 11 | |
| Other Retirements — Various..... | 902,936 94 | |
| Funded Debt Retired through Surplus..... | 184,898 00 | |
| Surplus Applied to Insurance Fund..... | 75,830 29 | |
| Miscellaneous Debits..... | 70,183 21 | |
| Balance, December 31, 1941 (Debit)..... | \$10,806,982 57 | \$8,222,375 98 |
| | | \$10,806,982 57 |

ADDITIONS AND BETTERMENTS

Year Ended December 31, 1941

| Road | Title Account | Gross Expenditures | Property Retired and Sold | Net Capital Changes |
|------------------------------|---------------------------------------|-----------------------|---------------------------|-----------------------|
| 1 | Engineering..... | \$ 23,343 48 | \$ 111,455 75 | \$ 88,112 27 |
| 2 | Land for Transportation Purposes..... | 1,498 05 | 242,147 29 | 240,649 24 |
| 3 | Grading..... | 28,060 81 | 422,464 03 | 394,403 22 |
| 5 | Tunnels and Subways..... | 81 82 | 200 00 | 118 18 |
| 6 | Bridges, Trestles and Culverts..... | 91,885 42 | 330,066 09 | 238,180 67 |
| 8 | Ties..... | 16,716 55 | 150,735 93 | 134,019 38 |
| 9 | Rails..... | 568,734 93 | 679,208 53 | 110,473 60 |
| 10 | Other Track Material..... | 480,224 99 | 407,583 35 | 72,841 64 |
| 11 | Ballast..... | 39,527 38 | 75,348 50 | 35,821 12 |
| 12 | Track Laying and Surfacing..... | 30,758 44 | 176,716 80 | 145,958 36 |
| 13 | Fences, Snowsheds and Signs..... | 132 59 | 35,472 00 | 35,339 41 |
| 15 | Crossings and Signs..... | — | 134,306 95 | 134,306 95 |
| 16 | Station and Office Buildings..... | 113,477 85 | 365,371 89 | 251,894 04 |
| 17 | Roadway Buildings..... | 516 83 | 12,118 42 | 11,601 59 |
| 18 | Water Stations..... | 6,938 99 | 19,833 68 | 12,894 69 |
| 19 | Fuel Stations..... | 6,551 59 | 37,020 49 | 30,468 90 |
| 20 | Shops and Enginehouses..... | 59,225 16 | 308,788 58 | 249,563 42 |
| 21 | Grain Elevators..... | — | 30,099 00 | 30,099 00 |
| 24 | Coal and Ore Wharves..... | 367 83 | 426 00 | 58 17 |
| 26 | Telegraph and Telephone Lines..... | 10,709 45 | 3,912 10 | 6,797 35 |
| 27 | Signals and Interlockers..... | 45,828 01 | 44,668 31 | 1,159 70 |
| 29 | Power Plants..... | 4 36 | 21,313 86 | 21,309 50 |
| 31 | Power-Transmission Systems..... | 1,055 26 | 8,654 36 | 7,599 10 |
| 37 | Roadway Machines..... | 32,173 07 | 824 02 | 31,349 05 |
| 38 | Roadway Small Tools..... | 25,888 09 | 103 00 | 25,785 09 |
| 39 | Public Improvements-Construction..... | 102,059 23 | — | 102,059 23 |
| 44 | Shop Machinery..... | 42,898 43 | 32,142 99 | 10,755 44 |
| 45 | Power Plant Machinery..... | 13,246 06 | 969 16 | 12,276 90 |
| <i>Total Road</i> | | \$1,741,904 67 | \$3,651,751 08 | \$1,909,846 41 |
| Equipment | | | | |
| 51 | Steam Locomotives..... | \$ 855,648 51 | \$ 153,669 75 | \$ 701,978 76 |
| 52 | Other Locomotives..... | 377,801 44 | 6,713 00 | 371,088 44 |
| 53 | Freight-Train Cars..... | 331,444 36 | 384,653 74 | 53,209 38 |
| 54 | Passenger-Train Cars..... | 46,938 93 | 394,071 90 | 347,132 97 |
| 57 | Work Equipment..... | 182,496 91 | 99,652 33 | 82,844 58 |
| 58 | Miscellaneous Equipment..... | 8,057 20 | 27,600 08 | 19,542 88 |
| <i>Total Equipment</i> | | \$1,802,387 35 | \$1,066,360 80 | \$ 736,026 55 |
| General Expenditures | | | | |
| 76 | Interest During Construction..... | — | \$ 6,349 33 | \$ 6,349 33 |
| <i>Totals</i> | | \$3,544,292 02 | *\$4,724,461 21 | \$1,180,169 19 |

*DISPOSITION OF CREDITS TO CAPITAL ACCOUNT

| Account No. | | | | |
|------------------------------------------------------------------------|------------------------------------------------------------------------------|--|-----------------------|--|
| 701 | — Investment in Road and Equipment — Equipment Converted..... | | \$ 116,766 96 | |
| 705 | — Miscellaneous Physical Property — Property transferred as Non-Carrier..... | | 2,558 69 | |
| 708 | — Cash — Land, Buildings, Equipment, Rail and Track Fastenings Sold..... | | 743,304 59 | |
| 716 | — Material and Supplies — Usable Material..... | | 537,187 98 | |
| 776 | Reserve for Accrued Depreciation — Equipment..... | | 833,666 57 | |
| 727 | Fire Account Suspense..... | | 7,384 97 | |
| 531 | Operating Expenses..... | | 310,480 46 | |
| 619 | Profit and Loss — Debits from Retired Road and Equipment..... | | 2,173,110 99 | |
| <i>Total Amount Credited to Investment in Road and Equipment</i> | | | \$4,724,461 21 | |

CAPITAL STOCK AND FUNDED DEBT OUTSTANDING DECEMBER 31, 1941 — OWNED ROAD

| CAPITAL STOCK | Amount Outstanding | Dividend Rate | Cumulative Dividends Unpaid Since Jan. 1, 1932-*Oct. 1, 1931 | Amount in Hands of the Public | Owned, Deposited with Trustee, or Held in Treasury or in Insurance Fund** | |
|--------------------------------------|-------------------------|--------------------|--------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------------|------------------|
| | | | | | \$ 70.00 per share | \$ 16,056,460.00 |
| Prior Preference | \$ 23,134,900.00 | 7 % | \$ 70.00 per share | \$ 16,056,460.00 | \$ 22,937,800.00 | \$ 197,100.00 |
| Prior Preference Negotiable Receipts | \$ 3,600.00 | 5 % | *\$ 51.25 per share | 9,652.476.25 | 3,600.00 | 25,900.00 |
| First Preferred, Class A. | 18,860,000.00 | 5 % | *\$ 82.00 " " | 7,648,800.00 | 18,834,100.00 | |
| " B. " " | 7,648,800.00 | 8 % | *\$ 71.75 " " | 7,910,000.00 | 7,648,800.00 | |
| " C. " " | 7,917,100.00 | 7 % | *\$ 102.50 " " | 4,431.997.50 | 7,910,000.00 | |
| " D. " " | 4,327,000.00 | 10 % | *\$ 46.125 " " | 4,323,900.00 | 4,323,900.00 | |
| " E. " " | 65,000.00 | 4 1/2 % | | 65,000.00 | 65,000.00 | |
| Preferred | 3,149,800.00 | 6 % | | 3,149,800.00 | 3,149,800.00 | |
| Common | 39,505,100.00 | | | 39,472,800.00 | 32,300.00 | |
| | \$104,611,300.00 | | | \$104,345,800.00 | \$265,500.00 | |
| FUNDED DEBT | | Amount Outstanding | Date of Maturity | Rate | | |
| General Mortgage Series V | \$ 124,000.00 | Mar. | 1, 1942 | 5 % | \$ 124,000.00 | |
| " W | 12,000.00 | Apr. | 1, 1942 | 5 % | 12,000.00 | |
| " X | 5,000.00 | July | 1, 1942 | 5 % | 5,000.00 | |
| " Y | 73,000.00 | Aug. | 1, 1942 | 4 % | 73,000.00 | |
| " Z | 48,000.00 | Jan. | 1, 1943 | 5 % | 48,000.00 | |
| Connecticut River | 62,000.00 | May | 1, 1943 | 5 % | 62,000.00 | |
| " " " | 6,000.00 | Sept. | 1, 1943 | 5 % | 6,000.00 | |
| " " " | 185,000.00 | Jan. | 1, 1944 | 4 1/2 % | 179,000.00 | |
| " " " | 470,000.00 | Apr. | 1, 1944 | 5 % | 470,000.00 | |
| Series AA | 29,000.00 | Jan. | 1, 1945 | 5 % | 29,000.00 | |
| " CC | 83,500.00 | June | 1, 1945 | 5 % | 83,500.00 | |
| " DD | 6,000.00 | Jan. | 1, 1946 | 5 % | 6,000.00 | |
| " EE | 52,000.00 | Jan. | 1, 1947 | 5 % | 52,000.00 | |
| " FF | 13,000.00 | Apr. | 1, 1947 | 5 % | 13,000.00 | |
| " GG | 25,000.00 | July | 1, 1950 | 3 % | 10,000.00 | |
| " II | 1,237,000.00 | May | 1, 1955 | 5 % | 1,237,000.00 | |
| First General | 67,789,500.00 | July | 1, 1960 | 4 % | 67,124,300.00 | |
| " RR | 902,000.00 | Apr. | 1, 1961 | 4 3/4 % | 897,000.00 | |

| | | | | | | | | |
|------------------------------------------------|-------------------|-----------|---------------|--------|---------------|--------|-------------------|----------------|
| " | " | AC | | | | | | |
| Income Mortgage | " | A. | | | | | | |
| | | | 3,065,000 00 | Sept. | 1, 1967 | 5 7/8% | 2,424,000 00 | 641,000 00 |
| | | | 48,261,500 00 | July | 1, 1970 | 4 1/2% | 46,942,500 00 | 1,319,000 00 |
| <i>Total Mortgage Bonds.....</i> | | | | | | | | |
| Equipment Trust No. 4 Trust Certificates | \$ 122,448,500 00 | | | | | | \$ 119,797,300 00 | \$2,651,200 00 |
| " " 5 | \$ 250,000 00 | Apr. | 1, 1942-43 | 4 1/2% | \$ 250,000 00 | | | |
| " " 6 | 342,000 00 | May | 1, 1942-44 | 5 7/8% | 342,000 00 | | | |
| " " 7 | 1,396,000 00 | June-Dec. | 1, 1942-49 | 4 1/2% | 1,396,000 00 | | | |
| | 870,000 00 | Dec. | 1, 1942-44 | 3 1/2% | 870,000 00 | | | |
| <i>Total Equipment Trust Obligations</i> | | | | | | | | |
| <i>Grand Total Funded Debt</i> | \$ 125,306,500 00 | | | | | | \$122,655,300 00 | \$2,651,200 00 |

** No interest accrued except on bonds held in Insurance Fund.

**CAPITAL STOCK AND FUNDED DEBT OUTSTANDING
DECEMBER 31, 1941**

Leased Roads

NAME OF ROAD AND DESCRIPTION

CAPITAL STOCK

| | Amount Outstanding | Dividend Rate (Paid as rental) | Owned and held in Treasury or in Insurance Fund |
|----------------------------------------------------|------------------------|-----------------------------------|-------------------------------------------------|
| Nashua and Lowell..... | \$ 800,000 00 | 9 % | \$ 215,700 00 |
| Stony Brook..... | 300,000 00 | 7 % | 22,500 00 |
| Wilton..... | 240,000 00 | *3½ % | 232,100 00 |
| Peterborough..... | 385,000 00 | 1¾ % | 339,500 00 |
| Concord and Portsmouth..... | 350,000 00 | 3½ % | 216,400 00 |
| Pemigewasset Valley..... | 541,500 00 | 3 % | 403,500 00 |
| Northern..... | 3,068,400 00 | 6 % | 246,100 00 |
| Vermont and Massachusetts..... | 3,193,000 00 | 6 % | |
| Troy and Bennington..... | 150,800 00 | 10 % | 29,100 00 |
| Connecticut and Passumpsic Rivers — Preferred..... | 2,500,000 00 | 6 % | 176,100 00 |
| Massawippi Valley..... | 800,000 00 | 6 % | |
| Vermont Valley..... | 1,000,000 00 | | 1,000,000 00 |
| Sullivan County..... | 500,000 00 | | |
| Franklin & Tilton..... | 265,600 00 | | 265,600 00 |
| Peterborough and Hillsborough..... | 45,000 00 | | |
| Newport & Richford..... | 350,000 00 | | |
| Concord & Claremont, N. H..... | 412,400 00 | | 11,700 00 |
| <i>Total Capital Stock</i> | \$14,901,700 00 | | \$3,158,300 00 |

FUNDED DEBT

| | Bonds Outstanding | Date of Maturity | Rate | Owned and held in Treasury or in Insurance Fund |
|-----------------------------------------|------------------------------|------------------|-------------|-------------------------------------------------|
| Newport & Richford..... | First Mortgage \$ 349,000 00 | Jan. 1, 1966 | 4 % | \$349,000 00 |
| Peterborough and Hillsborough..... | First Mortgage 100,000 00 | July 1, 1951 | 4½ % | 100,000 00 |
| Peterborough and Hillsborough..... | Second Mortgage 65,000 00 | Apr. 30, 1887 | No interest | |
| Connecticut and Passumpsic Rivers | First Mortgage 1,900,000 00 | Apr. 1, 1943 | 4 % | |
| Concord & Claremont, N. H..... | First Mortgage 500,000 00 | Jan. 1, 1944 | 5 % | 119,000 00 |
| Sullivan County..... | First Mortgage 357,000 00 | Apr. 1, 1944 | 6 % | |
| Vermont Valley..... | First Mortgage 1,478,000 00 | Oct. 1, 1955 | 4 % | |
| <i>Total Funded Debt</i> | \$4,749,000 00 | | | \$568,000 00 |

MILES OF ROAD OPERATED, DECEMBER 31, 1941

| | STEAM ROADS | Owned | Leased | Total |
|-----------------------------------|-------------|------------|--------|----------|
| Main Lines..... | | 806 71 | 243 79 | 1,050 50 |
| Branch Lines..... | | 541 48 | 192 03 | 733 51 |
| Trackage Rights..... | | | 82 28 | 82 28 |
| <i>Total Road Operated</i> | | | | |
| Second Track..... | 1,348 19 | | 518 10 | 1,866 29 |
| Third Track..... | 440 50 | (A) 130 03 | | 570 53 |
| Other Tracks..... | 4 40 | (B) 5 53 | | 9 93 |
| | 954 01 | | 185 94 | 1,139 95 |
| <i>Total Track Operated</i> | 2,747 10 | | 839 60 | 3,586 70 |

* Annual rental \$8,844.00.

(A) Includes trackage rights, 15.00 miles.

(B) Includes trackage rights, .99 mile.

OPERATING STATISTICS

AVERAGE MILES OF ROAD OPERATED

| | Year Ended Dec. 31, 1941 | Increase or Decrease |
|------------------------|-----------------------------|-------------------------|
| Freight service..... | 1,890.48 | 1.07 |
| Passenger service..... | 1,464.14 | <i>20.46</i> |
| <i>Total</i> | 1,902.70 | 7.30 |

TRAIN MILEAGE

| | | |
|----------------------------------------------|------------|--------------|
| Freight service (with locomotives)..... | 3,936,307 | 493,586 |
| Passenger service (with locomotives)..... | 6,300,209 | 47,964 |
| Passenger service (without locomotives)..... | 491,043 | <i>8,668</i> |
| Work service..... | 188,168 | 72,668 |
| <i>Total train miles</i> | 10,915,727 | 605,550 |

* LOCOMOTIVE MILEAGE

| | | |
|-------------------------------------|------------|-----------|
| Freight service..... | 4,896,313 | 718,642 |
| Passenger service..... | 6,675,450 | 55,816 |
| Train switching..... | 363,510 | 38,760 |
| Yard switching..... | 2,358,114 | 395,028 |
| Work service..... | 236,312 | 72,716 |
| <i>Total locomotive miles</i> | 14,529,699 | 1,280,962 |

CAR MILEAGE

| | | |
|---------------------------------------------------------------------------------|-------------|-------------|
| Freight-Train Car Miles: | | |
| Loaded..... | 146,695,895 | 28,945,162 |
| Empty..... | 65,439,835 | 8,398,671 |
| Caboose..... | 4,060,146 | 479,568 |
| <i>Total freight-train car miles</i> | 216,195,876 | 37,823,401 |
| Passenger-Train Car Miles: | | |
| Passenger coaches..... | 15,373,292 | 1,245,498 |
| Sleeping and parlor cars..... | 3,900,583 | 92,035 |
| Club, lounge, dining and observation cars..... | 278,550 | 10,771 |
| Business cars..... | 18,437 | <i>.436</i> |
| Mail, express, and baggage cars, and combination cars other than passenger..... | 15,048,226 | 197,585 |
| Combination passenger cars (mail, express, or baggage with passenger)..... | 4,270,822 | 30,746 |
| <i>Total passenger-train car miles</i> | 38,889,910 | 1,576,199 |
| <i>Total transportation service car miles</i> | 255,085,786 | 39,399,600 |

AVERAGES

| | | |
|----------------------------------------------------|-------------|------------|
| Operating revenues per mile of road..... | \$31,115.47 | \$6,195.16 |
| Operating expenses per mile of road..... | 21,179.10 | 3,242.98 |
| Net railway operating income per mile of road..... | 5,514.58 | 1,883.56 |
| | | |
| Operating revenues per train mile..... | \$ 5.52 | \$.85 |
| Operating expenses per train mile..... | 3.76 | .40 |
| Net railway operating income per train mile..... | .98 | .30 |
| | | |
| Total Freight cars per revenue train mile..... | 53.89 | 3.12 |
| Loaded Freight cars per revenue train mile..... | 37.27 | 3.07 |
| Empty Freight cars per revenue train mile..... | 16.62 | <i>.05</i> |
| | | |
| Total Passenger cars per train mile..... | 5.73 | .20 |

* Includes 339,837 Electric locomotive miles, 6,138 Tractor locomotive miles and 715,347 Diesel locomotive miles.
Italics indicate decrease.



TRAFFIC STATISTICS

FREIGHT

| | Year Ended Dec. 31, 1941 | Increase or Decrease |
|---------------------------------------------------------|-----------------------------|-------------------------|
| Freight Revenue | \$ 44,718,601 | \$ 10,195,207 |
| Tons of revenue freight carried | 20,825,565 | 4,554,047 |
| Tons of company freight carried | 1,950,436 | 283,511 |
| <i>Total tons of freight carried</i> | <i>22,776,001</i> | <i>4,837,558</i> |
| Tons of revenue freight carried one mile | 3,137,840,298 | 755,604,764 |
| Tons of company freight carried one mile | 177,543,904 | 34,401,938 |
| <i>Total tons of freight carried one mile</i> | <i>3,315,384,202</i> | <i>790,006,702</i> |

PASSENGER

| | | |
|----------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Passenger Revenue: | | |
| Monthly commutation ticket passengers | \$ 614,792.83 | \$ 12,336.79 |
| All other commutation ticket passengers | 949,747.93 | <i>8,438.23</i> |
| Single fare ticket passengers (not including interline) | 4,072,443.97 | 607,171.87 |
| Interline ticket passengers | 2,588,223.31 | 542,122.66 |
| <i>Total passenger revenue</i> | <i>\$8,225,208.04</i> | <i>\$1,153,193.09</i> |
| Number of Passengers Carried: | | |
| Monthly commutation ticket passengers | 2,921,153 | <i>1,064</i> |
| All other commutation ticket passengers | 5,801,151 | 56,268 |
| Single fare ticket passengers (not including interline) | 8,425,465 | 1,169,842 |
| Interline ticket passengers | 1,407,795 | 394,965 |
| <i>Total number of passengers carried</i> | <i>18,555,564</i> | <i>1,507,475</i> |
| Number of Passengers carried one mile: | | |
| Monthly commutation ticket passengers | 67,472,396 | 1,196,675 |
| All other commutation ticket passengers | 53,987,510 | <i>438,111</i> |
| Single fare ticket passengers (not including interline) | 217,384,672 | 36,113,375 |
| Interline ticket passengers | 121,520,901 | 28,832,784 |
| <i>Total number of passengers carried one mile</i> | <i>460,365,479</i> | <i>65,704,723</i> |
| Number of passengers to and from Boston, including monthly ticket passengers | 16,484,046 | 972,578 |

AVERAGES

| | | |
|-----------------------------------------------------------------------------|------------------|-----------|
| Freight: | | |
| Miles hauled — revenue freight | 150.67 | 4.26 |
| Tons of revenue freight per train mile | 797.15 | 105.19 |
| Tons of revenue freight per loaded car mile | 21.39 | 1.16 |
| Revenue per ton of freight | \$2,147.29 | \$0,02558 |
| Revenue per ton per mile | (cents) 1,425 | .024 |
| Revenue per revenue train mile | (cents) \$11,361 | \$1,333 |
| Freight revenue per loaded car mile | (cents) 30,484 | 1,165 |
| Passenger: | | |
| Average distance carried per passenger (miles) | 24.81 | 1.66 |
| Number of passengers per train mile | 67.79 | 9.34 |
| Number of passengers per car mile | 19.55 | 1.75 |
| Revenue per passenger | (cents) 44.33 | 2.85 |
| Revenue per passenger mile, monthly commutation ticket passengers | (cents) .911 | .001 |
| Revenue per passenger mile, other commutation ticket passengers | (cents) 1.759 | .002 |
| Revenue per passenger mile, single-fare not including interline | (cents) 1,873 | .039 |
| Revenue per passenger mile, interline passengers | (cents) 2,130 | .078 |
| Revenue per passenger mile, all passengers | (cents) 1,787 | .005 |
| Passenger revenue per passenger car mile | (cents) 34,934 | 3,044 |
| Total passenger service train revenue per train mile | \$1,701 | \$.162 |

Italics indicate decrease.